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**FISCAL IMPACT STATEMENT**

**LS 6927**

**BILL NUMBER:** SB 307

**NOTE PREPARED:** Jan 3, 2004

**BILL AMENDED:**

**SUBJECT:** Professional Licensing Agency.

**FIRST AUTHOR:** Sen. Meeks R

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes a process for renewing a license or certificate. It provides that a board may request the office of the Attorney General to investigate a prohibited act committed by an applicant. The bill provides that the Professional Licensing Agency may stagger license or certificate renewal cycles. This bill also provides that certain boards and commissions must establish licensing, renewal, examination, application, reinstatement, and restoration fees for licenses and certificates.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** *Administrative Law Judges* - The Professional Licensing Agency (PLA) currently provides for administrative law judges (ALJ) to render final orders in PLA boards' hearings that include proceedings in relation to disciplinary sanctions. This bill would add the cost of providing an ALJ to the list of costs that are covered by the person subject to the disciplinary sanctions. This provision should result in a savings of expenditures related to providing ALJs.

**Background Information:** The Health Professions Bureau (HPB) is similar to PLA in that it provides for the licensing of health professions. As of July 1, 2003, the cost of providing ALJs was shifted from HPB to the persons subject to disciplinary sanctions. Although HPB regulates nearly half as many licenses as PLA, HPB's expenditures on ALJs in the past may be indicative of the impact this provision could have on PLA.

In FY 2002, HPB spent approximately \$12,000 to provide ALJs. As of late CY 2003, HPB had spent \$9,500 and estimated it would spend between \$18,000 and \$20,000 on ALJs by the end of FY 2003. This provision was expected to reduce expenditures for HPB by up to \$20,000, based on the estimated cost of providing ALJs in FY 2003.

**Explanation of State Revenues:** *Licensure Fees* - Currently, many of the professions that require licensure by boards or commissions under the Professional Licensing Agency have licensure fees set by statute. This bill deletes these fees from statute and requires the boards and commissions to establish fees related to the licensure of those professions.

The boards and commissions affected by the bill include the:

- Board of Registered Architects and Landscape Architects.
- Auctioneer Commission.
- State Board of Barber Examiners.
- State Board of Cosmetology Examiners.
- Boxing Commission.
- Board of Funeral and Cemetery Service.
- Board of Registration for Landscape Surveyors.
- Plumbing Commission.
- Private Detectives Licensing Board.
- Board of Registration for Professional Engineers.
- Real Estate Commission.

Current law provides that all fees must be set so as to cover all costs of professional licensing. Assuming current licensure fees are set to cover the costs of providing professional licenses, this provision should not decrease the amount of revenue generated by fees when set by the boards or commissions. However, this provision could potentially increase the amount of revenue collected if fees are set at a higher rate by a board or commission as compared to those currently set by statute. The total amount of fee revenue will be dependent on the actions of the boards and commissions.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Professional Licensing Agency.

**Local Agencies Affected:**

**Information Sources:** IC 25-1-8-2(c); Health Professions Bureau; *FY 2003 Indiana Handbook of Taxes, Revenues and Appropriations*.

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